

The Jammu & Kashmir Bank Limited

Corporate Headquarters
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Kashmir, India
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Ref:-JKB/BS/F3652/2018/74
Dated: 26th July, 2018

Board Secretariat



National Stock Exchange of India Ltd
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051
Scrip Code: J&KBANK

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai - 400 001
Scrip Code:532209

Sub: - Reviewed Financial Results of the Bank for the Quarter ended 30th June, 2018

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of the Reviewed Financial Results of the Bank for the Quarter ended 30th June, 2018.

The Results were taken on record by the Board of Directors at their meeting held on 26th July, 2018 at Srinagar.

The meeting ended at 2:15 P.M.

Thanking you

Yours faithfully
For The Jammu and Kashmir Bank Ltd.

A handwritten signature in black ink, appearing to read 'Shafi Mir', written over a faint circular stamp.

(Mohammad Shafi Mir)
Company Secretary

Limited Review Report

To
The Board of Directors of
The Jammu & Kashmir Bank Ltd.

1. We have reviewed the accompanying statement of unaudited Standalone financial results of The Jammu & Kashmir Bank Limited (the "Bank ") for the quarter/period ended 30th June 2018. These Financial Results are the responsibility of the Bank's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim financial results consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. The Financial Results incorporate the relevant returns of 39 Branches and Treasury operations reviewed by us , out of which 19 were reviewed through Core banking system of the bank and management inputs, 499 branches reviewed by other Chartered Accountants and Banks own officials(retired) acting as Concurrent auditors of the Bank and un-reviewed in respect of 417 branches. In the conduct of our Review, in addition to 39 Branches and Treasury operations reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Banks Concurrent Auditors aggregating 499 branches. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank. The 39 branches reviewed by us cover 51.09% of advances portfolio of the Bank and 85.65% of NPA of the bank.
4. Based on our review conducted as aforesaid, subject to limitations in scope as mentioned in para 2 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in



accordance with applicable accounting standards and other prevailing recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

FOR O P GARG & CO.
Chartered Accountants
FRN : 01194N




CA. Salil Gupta
Partner
M. No. 097922

FOR VERMA ASSOCIATES
Chartered Accountants
FRN : 02717N




CA. Madan Verma
Partner
M. No. 081631

FOR P C BINDAL & CO.
Chartered Accountants
FRN : 03824N




CA. Manushree Bindal
Partner
M. No. 517316

FOR K K GOEL & ASSOCIATES
Chartered Accountants
FRN : 05299N




CA. Kamlesh Kumar Goel
Partner
M. No. 015002

Srinagar

Dated: 26.7.2018

BALANCE SHEET AS AT 30TH JUNE, 2018

(₹ IN CRORES)

As at 30.06.2018 As at 30.06.2017

CAPITAL AND LIABILITIES

Capital	55.70	55.70
Reserves and Surplus*	6158.11	5929.34
Deposits	77419.57	71744.48
Borrowings	3622.74	1276.05
Other Liabilities and Provisions	1836.99	1888.96

TOTAL :- 89093.11 80894.53

ASSETS

Cash and Balance with Reserve Bank of India	3431.49	3254.21
Balance with Banks & Money at Call & Short Notice ...	47.42	3022.52
Investments	20101.55	20703.95
Advances	59841.05	48733.19
Fixed Assets	1609.57	1550.52
Other Assets	4062.03	3630.14

TOTAL :- 89093.11 80894.53

* Includes Profit for the quarter 1st. Rs.52.59 Crores Previous corresponding quarter Rs.30.19 Crores

FOR & ON BEHALF OF THE BOARD


Parvez Ahmed
Chairman & CEO
DIN: 03467232

Place : Srinagar
Dated : 26th July, 2018


In terms of our report of even date annexed

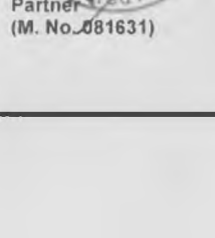
For O P Garg & Co
Chartered Accountants
FRN: 01194N


CA. Salil Gupta
Partner
(M. No. 081631)

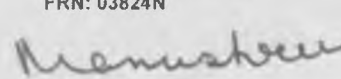


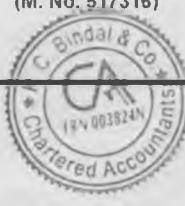
For Verma Associates
Chartered Accountants
FRN: 02717N


CA. Madan Verma
Partner
(M. No. 081631)




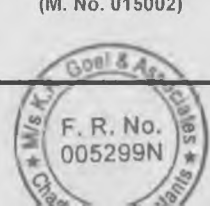
For P C Bindal & Co
Chartered Accountants
FRN: 03824N


CA. Manushree Bindal
Partner
(M. No. 517316)



For K K Goel & Associates
Chartered Accountants
FRN: 05299N


CA. Kamlesh Kumar Goel
Partner
(M. No. 015002)



SEGMENT RESULTS

(₹ in Crores)

(₹ in Crores)

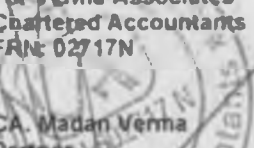
S.No.	PARTICULARS	3 Months Ended 30.06.2018	3 Months Ended 31.03.2018	3 Months Ended 30.06.2017	YEAR ENDED 31.03.2018	Description	3 Months Ended 30.06.2018	3 Months Ended 31.03.2018	3 Months Ended 30.06.2017	YEAR ENDED 31.03.2018
		(Un-Audited)	(Audited)	(Un-Audited)	(Audited)		(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
1	Interest Earned (see note 4)	1762.88	1561.88	1680.31	6821.40	1) Segment Revenue (Income)				
a)	Interest Discount on Advances/Bills	1327.19	1220.02	1207.21	4977.74	i) Treasury Operations	444.29	394.16	500.01	1693.39
b)	Income on Investments	393.53	336.77	385.95	1431.58	ii) Corporate/Wholesale Banking	569.51	428.46	509.34	2170.12
c)	Interest on Balance with RBI & Other Inter Bank Fund	41.42	32.77	87.06	211.68	iii) Retail Banking	1067.95	1102.48	836.91	3838.58
d)	Others	0.75	0.12	0.10	0.40	iv) Other Banking Business	8.45	7.82	7.26	31.98
2	Other Income	134.38	172.27	118.21	465.31	v) Un-Allocated Business				
3	Total Income (1+2)	1897.26	1734.15	1798.53	7286.71	Total	2092.24	1632.92	1853.82	7734.07
4	Interest Expense	883.70	938.81	888.11	3760.81	Less: Inter Segment Interest	193.00	168.97	87.98	817.36
5	Operating Expenses (all)	563.81	581.58	453.93	1984.23	Net Income from Operations	1897.24	1763.95	1765.84	7118.71
i)	Employee Cost	375.24	347.89	303.17	1286.89	2) Segment Results (Profit before tax)				
ii)	Other Operating Expenses	188.57	233.69	150.76	697.34	i) Treasury Operations	44.86	20.82	38.80	54.38
6	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	1547.51	1497.49	1422.04	5734.84	ii) Corporate/Wholesale Banking	42.16	42.71	14.49	264.23
7	Operating Profit before Provisions and Contingencies (3-6)	349.75	236.46	368.49	1381.87	iii) Retail Banking	187.01	113.30	153.72	588.04
8	Provisions (other than tax) and Contingencies	255.01	251.11	278.85	1022.34	iv) Other Banking Business	7.96	7.27	6.41	25.35
9	Exceptional Items					v) Un-Allocated Business	(187.24)	(168.75)	(123.58)	(678.81)
10	Profit (+) / Loss (-) from ordinary activities before tax (7-8-9)	94.74	15.38	89.64	359.53	Total Profit before tax	94.74	15.38	89.64	359.53
11	Tax Expenses	42.13	(13.06)	(128.83)	(81.72)	c) Segment Assets				
12	Net Profit (+) / Loss (-) from ordinary activities after tax (10-11)	52.61	28.44	218.47	441.25	i) Treasury Operations	23074.28	25846.18	25806.70	25846.18
13	Extraordinary Items (net of tax expenses)			238.18	238.18	ii) Corporate/Wholesale Banking	30762.92	29632.54	25002.85	29632.54
14	Net Profit (+) / Loss (-) for the period (12-13)	52.61	28.44	301.98	679.43	iii) Retail Banking	35255.74	34208.72	29984.87	34208.72
15	Build-up Equity Share Capital (Face Value Rs. 1/- per share)	88.70	88.70	88.70	88.70	iv) Other Banking Business	0.16	0.17	0.11	0.17
16	Reserves excluding valuation reserves				8105.51	v) Un-Allocated Business				
17	Analytical Ratios					Total	82879.36	83328.40	74889.41	83328.40
(i)	Percentage of Shares held by Govt. of J&K	59.23%	59.23%	59.23%	59.23%	d) Segment Liabilities				
(ii)	Capital Adequacy Ratio % (BASEL III)	12.42%	11.42%	11.10%	11.42%	i) Treasury Operations	2611.34	2547.32	184.15	2547.32
	(CET1 Ratio)	8.96%	9.24%	9.24%	9.24%	ii) Corporate/Wholesale Banking	23843.25	24854.98	22360.84	24854.98
	(Tier-1 Ratio)	10.50%	9.24%	9.16%	9.24%	iii) Retail Banking	56423.80	56123.35	52362.66	56123.35
(iii)	Earning per share (EPS): ₹					iv) Other Banking Business	0.91	0.71	0.81	0.71
a)	Basic and diluted EPS before Extraordinary items (net of tax expense for the period for the year to date and for the previous year (* not annualized))	0.94	2.04	4.82	7.91	v) Un-Allocated Business				
b)	Basic and diluted EPS after Extraordinary items for the period for the year to date and for the previous year (* not annualized)	0.94	2.04	0.54	3.64	Total	82151.81	81811.21	80854.84	81811.21
(a)	NPA Ratios					3) Capital Employed (Segment Assets - Segment Liabilities)				
a)	Amount of Gross NPAs	6241.67	6006.70	5640.62	6006.70	i) Treasury Operations	20465.95	23266.86	26722.65	23266.86
b)	Amount of Net NPAs	2781.72	2791.12	2267.19	2791.12	ii) Corporate/Wholesale Banking	6819.67	4777.55	2642.01	4777.55
c)	% of Gross NPAs in Gross Advances	9.96%	10.79%	9.96%	9.96%	iii) Retail Banking	(21168.06)	(21914.66)	(22378.82)	(21914.66)
d)	% of Net NPAs in Net Advances	4.65%	4.90%	4.65%	4.65%	iv) Other Banking Business	(0.75)	(0.54)	(0.70)	(0.54)
(b)	Return on Assets (annualized)	0.24%	0.13%	0.15%	0.25%	v) Un-Allocated Business				
18	Aggregate of Public Share Holding					Total				
(i)	No. of Shares	277025360	277025360	277025360	277025360	NOTE: The Bank has only one geographical segment i.e. domestic segment.				
(ii)	Percentage of Share Holding	40.77%	40.77%	40.77%	40.77%	1 The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting and approved by the Board of Directors at its meeting held on 26th July, 2018. The same have been reviewed by the Statutory Central Auditors of the Bank, in line with the guidelines issued by RBI and as per the requirement of listing agreement with Stock Exchange.				
19	Promoters and promoter group Shareholding					2 The above results for the quarter ended 30th June 2018 have been prepared following the same accounting policies that was followed in the preparation of annual financial statements for the year ended 31st March, 2018.				
a)	Pledge/Encumbered					3 The results have been arrived at after considering provision for Non-Performing Assets on the basis of prudential norms and specific guidelines issued by Reserve Bank of India.				
- Number of Shares	Nil	Nil	Nil	Nil	Nil	4 During the Quarter ended 30th June 2018 the bank has raised ₹1,000 Crores by issue of Unsecured listed redeemable Non-Convertible Basel III compliant Tier-1 perpetual bonds in the nature of debentures.				
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	5 Reserve Bank of India vide their letter no. DBR/RF/2017/21/04/2018/2017-18 dated 27.04.2018 has given an option to the Banks to spread the additional liability on account of the enhancement in gratuity limits from ₹0.10 crore to ₹0.20 crore under the Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended 31st March, 2018. Accordingly ₹12.47 crores has been provided in the quarter ended 30.06.2018 as well as 30.06.2018 and provision of ₹24.95 crores deferred to subsequent two quarters of the ensuing financial year. The bank has also set aside ₹20 Crores on estimate basis towards wage revision.				
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	6 In terms of RBI circular No. DBR/RF/2017/21/06/2017/2015-16 dated 01.07.2015 on "BASEL-III capital regulations" read together with the RBI Circular No. DBR/RF/BC/2017/06/2017/2014-15 dated 31.03.2015 on Prudential Guidelines on Capital Adequacy and Liquidity standards amendments requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under BASEL-III framework. Accordingly these disclosures are being made available on bank's website i.e. www.jkbank.net. These disclosures have not been subjected to review by the auditors.				
b)	Non-encumbered					7 In compliance to RBI letter no. BAV/RF/2017/21/04/13/2017/18 dated 08 February 2018 the bank has maintained a provision of ₹9.07 Crores (5%) against balance outstanding of ₹180.32 crores as on 30.06.2018 under food credit availed by State Government of Punjab.				
- Number of Shares	329833032	329833032	329833032	329833032	329833032	8 In view of flood during 2014 and disturbances during 2016 in J&K State Bank rehabilitated affected borrower accounts under RBI Master Directions issued for Relief Measures by Banks in areas affected by Natural Calamities. The rehabilitation included funding of loss suffered by the borrowers, deferment of instalments of term loans and funding of interest on these accounts. The Bank recognized fundee interest in respect of these accounts as interest income up to 31st December 2017. Vide RBI letter no. DBR/RF/2017/21/04/13/2017/18 dated 31st April 2018 the bank has been allowed to recognize funded interest income by staggering in five quarters beginning with 1st quarter ended 31st March 2018. Accordingly the Bank has credited Interest Capitalization by ₹76.84 crores for this quarter by corresponding debt to interest income.				
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	9 In terms of RBI Circular No. RB/2017-18/200 DBR/RF/BC/113/21/04/04/2017-18 dated June 15, 2018 the bank has utilized the option to spread provisioning for mark to market (MTM) losses on investments (G Sec & Bonds) held in AFS and HTF for the quarter ended June 2018 as detailed under:				
- Percentage of shares (as a % of the total share capital of the company)	59.23%	59.23%	59.23%	59.23%	59.23%	a. Total MTM provision required for the Qtr. ended June 2018 - ₹43.08 Crores				
						b. Provision made for depreciation of investment portfolio - ₹10.77 Crores				
						c. Provision required to be made in remaining Quarters - ₹32.31 Crores				
						d. One of the Advance accounts under SDR in which the bank also had equity shares was classified as NPA and the bank has distributed the depreciation on equity shares acquired under SDR over four calendar quarters from the date of conversion of debt into equity. Accordingly bank has made provision of ₹49.40 crores up to 30th June 2018 and balance of ₹49.40 crores has been distributed over next two quarters.				
						10 RBI vide circular No. DBR/RF/2017/21/04/04/2016-17 dated June 23, 2017 has advised banks to make extra provision on accounts where insolvency proceedings has been initiated. Accordingly the bank has identified such accounts and additional provision of ₹32.46 crores has been made.				
						11 Provision coverage ratio as at 30th June, 2018 is 66.78% after taking into account the floating provision of ₹38.72 crores held by the bank. The coverage ratio as on 31st March, 2018 was 65.83%.				
						12 The number of investors complaints pending at the beginning of the quarter were nil and the complaints received during the quarter were 12 (Twelve) and all have been disposed off.				
						13 The above results are standalone and do not include that of subsidiary company.				
						14 Figures of previous period/year have been rearranged, reclassified, regrouped wherever considered necessary to make them comparable with the figures of the period under review.				
						15 The statement of Assets and Liabilities is appended.				

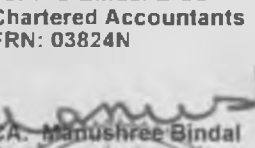
IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

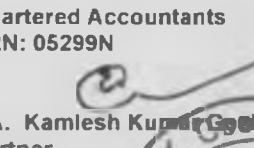
FOR & ON BEHALF OF THE BOARD

For O P Garg & Co
 Chartered Accountants
 FRN: 011941

 CA. Salil Gupta
 Partner
 (M. No. 097922)
 FRN No.
 0011941
 Chartered Accountant

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 005299N
 Chartered Accountants


 Parvez Ahmed
 Chairman & CEO
 DIN: 03467232
 Place : Srinagar
 Dated : 26th July, 2018